UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
INFORMATION BRANCH
641 WASHINGTON ST., ROOM 956
NEW YORK 14, N. Y.



# AGRICULTURAL MARKETING

(Script No. 24.....For Use During The Period May 10--23, 1948)

PART I: ----- GRAIN EXPORT ROUNDUP (PP 1-7)

PART II: ----- THE GRAIN STANDARDS ACT (PP 7-13)

## PART I: ----- GRAIN EXPORT ROUNDUP (7½ minutes)

ANNOUNCER: The marketing of America's food is of direct concern to everyone -- farmer, distrubutor, and consumer. Today, Station _____ presents another in a series of broadcasts designed to tell farm and city people more about the latest developments in the field of agricultural marketing... Recently, the President's Cabinet Committee on World Food Problems reported that the United States was going to be able to ship abroad another record quantity of grain this year. Grain, of course, plays a tremendous role in our entire agricultural economy, so the story behind this year's grain export program is of vital interest to farmers and consumers alike. We've asked to our studios today, _____, of the Production and Marketing Administration to tell us more about the Cabinet Food Committee's report... _____, I think that all our listeners will be interested in how their grain conservation efforts both on the farm and in the city fit in with the latest figures on grain exports.

PMA: I can't think of a better example, _____ which shows the way millions of people working together in a democracy like ours can help in the fight for peace and democracy in other parts of the world. We couldn't possibly have exported such huge quantities of grain to hungry countries of the world unless people all over the nation had cooperated in a real effort to conserve our grain supply.

ANN: Let's look back a few months and see just how this works out. As I recall it, last September, the Government said that at the rate we were then using grain we would fall about 100 million bushels short of meeting urgent needs abroad.

PMA: That's about the way it was. What with the short corn crop and the tremendous demand for grain in this country it looked as if 470 million bushels of grain was about all we could export before the end of the marketing year. At the same time, though, we estimated that countries receiving American aid would need at least 570 million bushels of grain from this country if they were to pull through to the next harvest.

ANN: And that difference -- 100 million bushels -- could be made up only on American farms, at American dinner tables, and in American industries. Apparently it was, because the Cabinet Food Committee's report says that we'll probably export 577 million bushels of grain by the end of June -- 7 million more than the original conservation target.

PMA: It's 5 million bushels more than we exported last year... and that was a record, you know.

ANN: It's hard for the average person like myself to visualize that much grain.

PMA: Here's one way to measure it, _____. A Department official recently said that if we loaded all the grain we are exporting this year in boxcars and hooked them together, we'd have a freight train about 2500 miles long.

ANN: Whew... That would reach from New York City way back to the Rocky Mountains. When you translate all the raw figures into pictures like that you get an idea of just how big the job of world recovery really is... particularly, when you realize that we are shipping a lot of other foods and industrial goods too.

PMA: Another way of looking at the size of the food export program is to compare the amount we are now shipping abroad with what we used to sell to foreign countries before the war. The 19 million tons of food we exported last year were 5 times what we used to send out of this country. And as far as wheat is concerned, we're exporting about 10 times the amount we sent before the war.

ANN: How is this year's grain export program broken down, _____?

PMA: A little more than 80 percent of the total will be made up of wheat -- including wheat in the form of flour. The rest of it -- about 95 million bushels -- will be made up of coarse grains -- oats, barley, corn, and so on.

ANN: I suppose that before setting up these export estimates the Government figured in the essential needs of our own farmers and consumers.

PMA: Certainly. In making up the estimates the Cabinet Food Committee studied the last grain stocks reports, the amount of carryover we would have in this country, as well as our ability to handle and ship all this extra grain. As far as wheat is concerned it seems quite probable that we'll have a carryover of about 150 million bushels on the first of July.

ANN: How about giving us a review of the April grain stocks report?

PMA: There are almost half a billion bushels of wheat in storage around the country -- both on farms and in commercial warehouses -- more than half again as much as we had at this time last year. And that's in spite of the fact that we have been using up wheat at a near-record rate.

ANN: And what about other grains?

PMA: The picture isn't as favorable here. Corn stocks are less than a billion bushels -- which is the smallest they've been on April first in six year. Oats were also the smallest in six years. Barley stocks, while relatively small, were better than either last year or the year before. All told, though, we had almost a billion and a half bushels of these three grains in storage.

ANN: In any case, those reserves appear to be large enough to allow us to ship a record quantity of grain overseas before the end of the marketing year. And since such shipments were only made possible by cutting down our own grain consumption at home during the past few months, I think that farmers and consumers can be proud of their efforts to save food and feed.

PMA: Of course, we can't forget that high grain prices over the past year have had a great deal to do with holding down grain consumption -- particularly in poultry and livestock feeding. But I don't think there is any doubt that the efforts of farmers and consumers have been responsible in large measure for saving these millions of extra bushels which are going abroad under the foreign relief and recovery programs.

ANN: Does that mean that we can consider the job finished?

PMA: Not by a long shot, _____. This latest estimate of exports merely means that at the rate we are now using up our grain we'll have enough to ship 577 million bushels abroad. But we can't afford to let up on our conservation efforts even one bit. For one thing the next few months until the coming grain harvests are completed will be at least as important as the past few months have been. So it's necessary that everyone redouble his conservation efforts.

ANN: On the farm that means cutting down on insect and rodent damage to grain and continuing to use every pound of feed as carefully as if it were gold dust.

PMA: Just about. And conservation continues to be the order of the day in the home too. You've probably heard about the new intensified drive for consumer food conservation which the Department launched a few weeks ago.

ANN: Oh yes. I wish you'd tell us more about that program, _____.

PMA: Well the idea behind it is to help consumers meet the problem of high food prices and at the same time continue to conserve food. It's a voluntary program, you know, but each of America's 40 million families are urged to cooperate in their own homes, and when they eat out.

ANN: I understand the retail food and the hotel and restaurant industries are cooperating, too.

PMA: That's right, _____. One of the main points of emphasis is the use of the plentiful foods. And several million copies of a recipe and menu planning book are being printed to help consumers save both money and food. That book, by the way, is called "Money Saving Main Dishes", and anyone who wants a copy can get one just by sending a post card to "Food Conservation", Washington, D. C.

ANN: "Food Conservation, Washington, D.C." That's simple enough. And I'm sure that many of our listeners will want this book.

PMA: One other thing. As part of that campaign the Department is urging people both in towns and on farms to preserve as much food as possible from home gardens, from nearby farms, and from what they buy in retail stores when supplies are abundant. In that way they help their own budgets and take some pressure off other food supplies.

ANN: Well, that seems to give us a pretty good picture of the present status of our grain export program and food conservation campaign...

(USE FOLLOWING CLOSE IF PART II IS USED AS A SEPARATE SCRIPT.)

ANN: Thanks very much for being with us again today, _____, on another of Station _____'s public service broadcasts on agricultural marketing. Friends, you've just heard an interview with _____ of the Production and Marketing Administration. This program has been brought to you with the cooperation of the United States Department of Agriculture.

PART II: ----- THE GRAIN STANDARDS ACT (7½ minutes)

(USE FOLLOWING INTRODUCTION IF PART II IS USED AS A SEPARATE SCRIPT.)

ANN: The marketing of America's food is of direct concern to everyone -- farmer, distributor, and consumer. Today, Station _____ presents another in a series of broadcasts designed to tell farm and city people more about the latest developments in the field of agricultural marketing... Our guest today is _____, of the Production and Marketing Administration, U. S. Department of Agriculture.... By the end of June the United States will have exported more grain than was ever sent abroad in a single marketing year...

ANN: ... Handling the tremendous quantity of grain now being sent abroad in the fight for peace must be quite a sizeable job. When you add to that the even greater volume of grain which is sold each year in this country for feed and food, the American grain market is bigger than the average person imagines. Helping to keep order in this massive operation is the United States Grain Standards Act... I think _____, that all our listeners will be interested in hearing how Federal grading and inspection help make the grain market more efficient.

PMA: Well, _____, you just mentioned something about the size of the grain market in this country. Maybe it will help you to realize just how big it is if I tell you that during the last marketing year, Federally-licensed inspectors made more than two <u>million</u> inspections on over four <u>billion</u> bushels of grain. That was a new record, by the way.

ANN: It would take a pretty big elevator to hold four billion bushels of grain, _____. I'll bet the grain market would be a pretty confused operation if it weren't for uniform grain standards and inspection.

PMA: At one time, _____, that's just about what it was. Forty years ago nobody really knew what he was buying in the grain market unless he examined the grain himself.

ANN: Weren't there any grain standards in those days?

PMA: Sure there were --- the trouble was that there were too many different ones. A buyer in this State might order Number Two Hard Red Winter Wheat from a mid-Western dealer and find when he received it that it was a lot poorer quality than he had expected to get. But the dealer probably sold that wheat in the best of faith. As far as the standards in his part of the country went, that wheat probably was Number Two...

ANN: ... And it wasn't his fault if the specifications in his locality were different from those in other areas. I can see where that would make for a really confusing situation — particularly as far as interstate and foreign commerce were concerned.

PMA: The situation was pretty bad, _____. Individual States, boards of trade, and chambers of commerce hired their own inspectors and graded the grain according to local standards. People involved in foreign and domestic grain trading were anxious to see the adoption of uniform standards. So back in 1916, Congress decided to bring some order out of this chaos and set up a national system for grading and inspecting grain...

ANN: And that's when they passed the Grain Standards Act.?

PMA: Right. Actually, the Department of Agriculture had been carrying on some research on grain standardization for some years before the Act itself was passed. They started out by studying grain production on the farm to learn what quality could be expected with good farming practices. And they followed the grain right through all the channels of trade, processing for food and feed use, and export commerce. In that way, they were able to set up uniform measures of quality and condition so that Congress could write a law which could be used in the day-to-day inspection of grain in every part of the country.

ANN: Now, what does this law provide?

PMA: First of all, it says that Federal grades must be used for all grain sold by grade in interstate or foreign commerce. If possible, the grading must be done by a Federally-licensed inspector. And then the law authorizes the Secretary of Agriculture to declare official standards for grain, to license inspectors, to apply these standards, to supervise the work of the inspectors, and to handle any appeal which may be made from an official inspection. And, naturally, the law contains some provisions which guard against fraud and misrepresentation.

ANN: Iknow that standards have been established for wheat, corn, barley, rye, and oats. What other grain crops are covered by standards, _____?

PMA: As far as oats are concerned, _____, there are separate standards for regular oats which are mostly made up of cultivated oats, and for "Feed Oats" which have a high percentage of wild oats, and finally for "Mixed Feed Oats", which are made up of a mixture of cultivated and wild oats, together with some other grains. Besides these, compulsory standards have been set up for grain sorghums, flax seed, soybeans, and mixed grain.

ANN: You say that all these grains which we've mentioned are covered by compulsory standards. That means that if they move across State lines or in foreign commerce they must be sold according to Federal grade specifications.

PMA: That's right. However, the grain inspection service has also developed standards for some items which aren't covered by the Grain Standards Act.

ANN: What are they?

PMA: In that group you'll find beans and peas, rice, hay, straw, and hops. Standards for these aren't compulsory, but traders in these items also need a comon language and they are widely used.

ANN: I know that wheat, corn, and most of the common feed grains are graded according to a number system -- that is, the best grade is Number One, the next best is Number Two, and so on down. Is that true of all grain standards?

PMA: Most of the grades under the Grain Standards Act follow a similar number system, but they also include an inferior grade "Sample Grade". But the number of grades for each grain vary. For example, wheat, corn, and barley are graded according to six grades -- Numbers One through Five and Sample. Oats, rye, grain sorghums, and soybeans have four number grades and the sample grade. Feed oats and mixed feed oats have only 3 number grades, while flax seed has 2 number grades. Mixed grain, though, can be sold only as "Mixed Grain", which is the standard grade, or as "Sample Grade Mixed Grain".

ANN: I imagine it must take a lot of "know how" for a grader to be able to distinguish between the different grades.

PMA: Of course, a great deal of mechanical equipment has been developed to help the grader make a fair and accurate examination of the grain he is inspecting. But in the final analysis, the work depends on the good judgement of the man doing the grading. And that's why the Department's requirements for licensing an inspector are very high.

ANN: Of course, you've already mentioned that the Department supervises the work of these licensed graders and inspectors. That must help to keep the service uniform.

PMA: It does. There are about 500 of these licensed inspectors around the country and their work is all coordinated in 35 grain supervision districts of the Production and Marketing Administration. These district offices are headed by trained grain marketing specialists and are so located that they will keep the work of all inspectors coordinated and the system working smoothly.

ANN: In recent years we've seen a great many changes in the kinds of grain marketed in this country. Does the grading and inspection service keep pace with all the improved varieties of wheat, hybrid corn and other grains which are constantly being developed.

PMA: It certainly does. You remember what I said a few moments ago about the research work which went into the establishment of the first grain standards before the Act was passed in 1916. Well, that research work has been going on ever since. The grade standards are constantly under review to keep them up-to-date. The mechanical equipment used by inspectors is continually tested and improved. And constant research is going on to discover new tests which will make the grading process more accurate. All of this is with the aim of keeping the grain inspection and grading service in tune with changes in production and marketing, and making better grain and grain products available to farmers and consumers.

ANN: Well, _____, that certainly gives us a good idea of how the Department of Agriculture's grain inspection and grading service works for our benefit.... But our time seems to be about up now. Thanks very much for being with us today, _____, of the Production and Marketing Administration.... Friends, you have been listening to another of Station _____'s public service broadcasts on agricultural marketing, brought to you with the cooperation of the United States Department of Agriculture.

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